

## **TURMERIC**

### **Spot Market Recap**

- New crop arrivals have started in a few locations and total arrivals are lower in Nizamabad spot w-o-w while arrivals marginally improved from Erode during the week under review.
- Lower demand from Masala millers was reported in the domestic spot market at higher price level as they are having ample quantity of stocks for their requirements.
- Anticipation of higher production due to favourable weather condition may put pressure on prices.
- Stockists are off-loading their old stocks in the domestic market before onset of peak arrivals due to expectations of another bumper crop. Peak arrivals of turmeric is expected during March-April.

### **Fundamental analysis**

#### **Turmeric Arrival Scenario:**

Market	% Change during corresponding period last week	Arrivals during the week ( 7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2012) in bags	Arrivals during the last week ( 31 <sup>st</sup> Dec – 06 <sup>th</sup> Jan 2012) in bags	Arrivals during the last year ( 7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2011) in bags
Nizamabad (Andhra Pradesh)	-21.42	2,200	2,800	-
Erode (Tamil Nadu)	+8.33	26,000	24,000	-

1 bag = 75kgs

As shown in the above table, lower arrivals were reported in Nizamabad spot market during the week. Arrivals in Nizam were down by 600 bags as compared to the same period last week. However, in Erode spot market higher arrivals were reported. In the Erode market, new crop arrivals have started that is around 300-400 bags on daily basis.

Turmeric crop looks good and over 80% of the crop in important growing region of AP has matured and is ready to get harvested. There is no major impact of pest and diseases and yield is expected to improve y-o-y. Turmeric crop in Karnataka is also in good shape and peak arrival is expected during mid-March. New crop arrivals to the tune of 400-500 bags are reported from Karnataka. Recent rains in TN increased the soil moisture which might delay the crop by 1-2 week though there is no water logging reported in the fields. Overall outlook for the crop from TN is good.

Based on farmer's info we expect turmeric yield to be in the range of 15–20 quintals per hectare. Considering higher acreage y-o-y we project turmeric production to touch 80 lakh bags (1 bag = 65 kgs) for 2012.

Ample old stocks is lying with the traders to the tune of 15 lakh bags and this continues to weigh on the market sentiments. In Erode, stock is around 6-7 lakh bags while in Nizamabad, it is near 70,000 bags as reported by the trade sources. With expectation of harvest to pick pace during coming couple of weeks we expect turmeric prices to stay at subdued levels during the coming couple of weeks.

### **Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (12-01-2012)	Week Ago (05-01-2012)	Month Ago(12-12-2011)	Year Ago (12-01-2011)
Turmeric	Nizamabad-Nizam Cold	-1.81	5400	5500	5500	16500
	Erode-Finger	-4.12	4500-4800	4700-5000	4200-4700	15500-15800

**Turmeric Weekly Price Outlook (Nizamabad Spot market)**


Candlestick chart pattern depicts range bound movement in the market. 4900 is a strong supports level breaching this level is likely to test towards 4800 in near term. Positioning of RSI is moving down in neutral region indicating prices may go down in short term.

**Expected Price Range of TMC Nizamabad spot market: 4900 - 5000.**

**CUMIN SEED (JEERA)**
**Spot Market Recap:**

- Lower arrivals were reported in the domestic market during the week under review.
- Stockists are releasing their old stock which is now getting depleted fast.
- As per trade sources, new crop arrivals will start by March.
- Weather continues to remain a concern for Jeera production.
- Jeera arrival is likely to decline during coming couple of days as stockists are willing to retain their old stocks as they expect lower production for 2012.

**Fundamental analysis**
**Jeera Arrival Scenario:**

Market	% Change during corresponding period last week	Arrivals during the week (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2012) in bags	Arrivals during the last week (31 <sup>st</sup> Dec – 06 <sup>th</sup> Jan 2012) in bags	Arrivals during the last year (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2011) in bags
Unjha (Gujarat)	<b>-34.92</b>	20,500	31,500	16,000

Unjha 1 bag = 55kgs

Taking Unjha cash markets as the indicative market, arrivals were reported at 20,500 bags during the period of 7th Jan – 12th Jan 2012 lower by 11,000 bags as compared to the previous week. Stockists who earlier were interested in liquidating their old stocks have now changed their plans. They are likely slowly release their stocks with expectation of Jeera prices to improve further during the coming couple of weeks. They expect production to decline for 2012 due to un-favourable weather during its growth and development.

However Jeera stock in Unjha is reported at 6-7 lakh bags (1 bag = 65 Kg) which is lower when compared to previous year (12-14 lakh bags). Similarly total stocks in India is reported to stay in the range of 9-10 lakh bags (1 bag = 65 Kgs). We expect traders to hold old crop stocks or to release it slowly despite new crop arrivals to start from Feb-March. This is likely to lend underlying support to the Jeera prices moving forward.

Lower export demand was reported in the spot market. Exporters are reported inactive in the domestic market at higher price level and waiting for new crop arrivals to start from Feb-March.

In the global market, Syrian and Turkey's cumin seed is quoted at USD 3,250 and USD 3,300 per ton (fob) respectively, while, Indian cumin seed is being offered at USD 3,000 per ton (cnf) Singapore. This might turn buyers to Indian port once new crop arrivals start in March.

### Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (12-01-2012)	Week Ago(06-01-2012)	Month Ago (12-12-2011)	Year Ago (12-01-2011)
Cumin Seed	Unjha-Loose	+8.79	14500-15200	13500-13800	12500-13000	12225
	Jodhpur - Loose	-1.63	15000	15000-15500	13100	13000

### Jeera weekly Price Outlook (Unjha Spot market)



Candlestick chart pattern indicating strong buying momentum with bull run to continue for the coming couple of weeks. 15500 might act as a strong support level and breaching this level is likely to test towards 15440 in near term. However, we expect technical trigger buying towards its support in case of any near term decline which might lead to a bull run. There is no indication of divergence with RSI indicating bull run is likely.

**Expected Price Range of Jeera at Unjha (INR/Qtl): 15500 – 16200.**

## **BLACK PEPPER**

### **Spot Market Recap**

- Lower arrivals were reported during the week under review (7<sup>th</sup> Jan – 12<sup>th</sup> Jan 2012).
- Pepper harvesting delayed due to recent rains.
- New crop arrivals already started in the domestic market with lower quantity. Arrivals is expected to improve during month end.
- Domestic buyers were reported inactive at higher prices level.
- Sluggish export demand was reported with no fresh export enquiries.

### **Fundamental Analysis**

#### **Black Pepper Arrival Scenario**

Market	% Change during corresponding period last week	Arrivals during the week ( 7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2012) in tonnes	Arrivals during the last week (31 <sup>st</sup> Dec – 06 <sup>th</sup> Jan 2012) in tonnes	Arrivals during the last year ( 7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2011) in tonnes
Kochi (Kerala)	<b>-64.70</b>	36	102	112

Lower arrivals were reported in Kochi (Kerala) spot market during the week. Arrivals in Kochi were down by 66 tonnes as compared to the same period last week. Stockists were releasing their stocks at these levels though in small quantities in the domestic spot market. With expectation of improvement in arrivals in market yard by the month end we expect black pepper prices to soften moving forward.

New crop arrivals have already started in the domestic market mainly in Kochi regions. The crop harvesting normally begins in December but excessive rainfall delayed harvesting. With stagnant area y-o-y and marginal decline in yield we expect pepper production to stay close to 48,000 tonnes compared to the previous year when production was seen at 50,000 tonnes which is down by 4%.

On the international front, Indian black pepper MG 1 is quoted at USD 6,300-6,350 per ton CNF US which is at par with its competitor. Buyers are waiting for Vietnam crop along with new India crop. At present exporters are inactive in the domestic market due to higher prices which may only change when the new crop arrivals in India peak by Jan end.

Demand is also influenced by the volatility of currency these days. Expectation of Indian currency to appreciate towards INR 49.8 – 49.5 might lower demand further especially when new crop arrivals gain momentum at the month end. This is likely to keep importers cautious against booking orders.

### **Spot Prices Weekly Change**

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)			
			Current (12-01-2012)	Week Ago (06-01-2012)	Month Ago (12-12-2011)	Year Ago (12-01-2011)
Black Pepper	Kochi-Ungarbled	<b>-3.50</b>	30300	31400	33500	21400
	Kochi-Garbled	<b>-3.34</b>	31800	32900	35000	22200
	New Delhi-Unpolished	<b>-1.49</b>	33000	33500	34200	22900
	New Delhi-Number 11.5	-	NA	NA	37000	25500

**Black Pepper weekly Price Outlook (Kochi Spot market)**


Trend line break out could be seen in the daily chart of black pepper prices at bench mark market of Kochi below 35000 followed by subsequent confirmation. Spot prices breached its channel with technical selling objective is likely to continue towards 29000. Diversion of prices with RSI which was earlier seen now starts converging indicating prices to soften further. Meanwhile, technical selling is also likely to gain momentum and any near term correction is likely to face stiff resistance towards 32000.

**Expected weekly black pepper price range: 29000 to 32000.**

## CARDAMOM

**Spot Market Recap**

- Lower arrivals were reported in the domestic market during the week under review.
- Cardamom arrivals may increase in coming days owing to increased picking activity .
- Competitive Indian prices of cardamom and continuous decline during last couple of months attracted importers towards India. However, new crop arrivals may limit any near term gains in the domestic market.

**Fundamental Analysis:**
**Cardamom Arrival Scenario**

Market	% Change during corresponding period last week	Arrivals during the week (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2012) in Kgs	Arrivals during the last week (31 <sup>st</sup> Dec – 06 <sup>th</sup> Jan 2012)in Kgs	Arrivals during the last year (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2011) in Kgs
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	-63.46	217190	594415	159326

Cardamom arrivals were reported at 217190 Kgs lower by 377225 kgs as compared to the previous week as growers hold their produce due to lower quotes. However we expect cardamom arrivals to increase during coming days as picking activity gains momentum. Source revealed that, fourth round of harvesting is going on and nearly 40 – 50 percent is completed so far.



**Spot Prices Weekly Change**

Centre	Commodity & Variety	% Change Over Previous Week	Average Auction Prices (Rs/Qtl)			
			Current (12-01-2012)	Week Ago (06-01-2012)	Month Ago (12-12-2011)	Year Ago (12-01-2011)
Vandanmettu, Thekkady, Kochi, Nedumkandam , Kumily, Santhanpara & Bodinayakanur (Kerala)	Small Cardamom	<b>-6.36</b>	479.89	512.50	-	1333.88

**Cardamom Daily Price Outlook (Kochi Future market)**


Chart is bottoming out around 570. We expect cardamom futures to enter into sideways consolidation in the range of 570 as a lower level and 626 at higher side. Decisive closing above the same might reverse the bearish trend. RSI is neutral with no sign of divergence or convergence indicating continuation of the sideways trend.

**Expected weekly black pepper price range: 570 – 626.**

**CORIANDER SEED**
**Spot Market Recap**

- In Kota and Ramganj, higher arrivals were reported while arrivals declined in Baran during the week under review.
- Stockists and growers are releasing their stocks as they are off-loading their existing stocks before new crop arrivals.
- Higher carry in stock for 2012 MY continue to weigh on the market sentiments.
- New crop from MP is likely to start by mid-February while from Rajasthan it is likely to start from the month of March.

**Fundamental analysis  
Coriander Arrival Scenario:**

Market	% Change during corresponding period last week	Arrivals during the week (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2012) in bags	Arrivals during the last week (31 <sup>st</sup> Dec – 06 <sup>th</sup> Jan 2012) in bags	Arrivals during the last month (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2011) in bags
Kota	+9.33	8,200	7,500	-
Ramganj	+22.79	16,700	13,600	-
Baran	-20.51	6,200	7,800	-

1 bag=40 kg

Arrivals in Kota were higher at 8,200 bags during the period of 7<sup>th</sup> Jan – 12<sup>th</sup> Jan 2012 up by 700 bags as compared to the previous week. Similarly arrivals increased sharply in Ramganj as depicted in the above table. Marked improvement is attributed by liquidation of stockists and growers in the spot. We expect carry forward stocks for the 2012 to stay close to 30-35 lakh bags (1 bag = 40 Kg) which is significantly higher y-o-y. We expect arrivals to stay at higher levels during coming couple of weeks as growers and stockists continue to liquidate their stocks in the wake of new crop arrivals which is likely to start in Feb. In M.P. new crop arrivals will start by mid-February while, in Rajasthan it should start in March.

**Sowing Scenario:**

As per trade sources, Coriander sowing has been completed with significant increase y-o-y in Rajasthan and Madhya Pradesh. In Rajasthan region, farmers shifted their acreage from wheat to coriander due to better returns. As per trade sources total acreage from Rajasthan is expected from 1.5 – 2 times. Higher acreage along with better soil moisture condition might lead to anticipation of better crop this year too. The same might keep coriander prices to stay weak for coming couple of week.

However, area of Coriander in AP might decline by 60% during current year and as on 11<sup>th</sup> Jan 2012 total area sown in the state is recorded at 0.09 lakh hectares. Lower acreage in AP might lead to lower production. This mean the demand from AP is likely to shift towards MP and Rajasthan once the arrival will start during Feb-Mar. The same shall lend underlying support to the coriander prices moving forward.

**Coriander Sowing Progress: Andhra Pradesh**

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 11/01/12	% Sown to	
Crop	Season	As on date	As on 11/01/10	As on 11/01/11		Season	As on date
Coriander	0.27	0.25	0.32	0.18	0.09	31	34

**Spot Prices Weekly Change**

Commodity	Centre & Variety		% Change Over Previous Week	Prices (Rs/Qtl)		
				Current (12-01-2012)	Week Ago (06-01-2012)	Month Ago (12-12-2011)
Coriander Seed	Ramganj	Badami	-2.83	3375-3475	3475-3575	3150-3250
		Eagle	-2.72	3475-3675	3575-3775	3250-3450
		Scotter	-2.36	4125	4225	3900
	Kota	Badami	+2.94	3500	3400	3300
		Eagle	+1.42	3550	3500	3600
	Baran	Badami	Unch	3450	3450	3450
		Eagle	-1.40	3500	3550	3550

**Coriander weekly Price Outlook (Kota Spot market)**


**Expected Price Range of Coriander Kota spot market: 3885-4300.**

## RED CHILLI

**Spot Market Recap**

- Lower arrivals were reported in Guntur during this week compared to last week.
- Sources revealed that around 10 lakh bags of red chilli are currently lying in Guntur cold storages.
- Week demand continues to weigh on market sentiments.
- In Guntur, red chilli new crop arrivals will gain momentum during January end and we expect prices to stay weak for medium term.

**Fundamental Analysis**
**Red Chilli Arrival Scenario:**

Market	% Change Over Previous Week	Arrivals during the week (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2012) in bags	Arrivals during the last week (31 <sup>st</sup> Dec – 06 <sup>th</sup> Jan 2012) in bags	Arrivals during the year (7 <sup>th</sup> Jan – 12 <sup>th</sup> Jan 2011) in bags
Guntur (Andhra Pradesh)	<b>-50.34</b>	72,000	1,45,000	2,75,000

**1Bag=45 Kgs**

Red Chilli arrivals in Guntur were reported 72,000 bags (1 bag=45Kg) down by 73,0000 bags as compared to the previous week.

Stale domestic demand and lack luster export demand continue to keep chilli prices at lower rates. However a few export deals are happening for select varieties. Demand for variety like Teja and No 5 from Bangladesh, Malaysia and Sri Lanka continue to keep the prices of these varieties at higher levels and enjoying a premium of Rs 1000 to 1500 over LCA 334. However the demand for LCA 334 remains non-existent . At the same time demand for Kolkata is also not high as it was last year during the same period



as per trade sources. Price for variety LCA 334 is expected to stay weak till new crop arrival which is expected to start from Feb-March.

#### Chilli Sowing Progress in AP during Rabi Season:

Sowing in major chilli growing area is almost completed. Red Chilli has been sown in 0.49 lakh hectares in A.P. as on 11<sup>th</sup> January 2012. Trade sources revealed that chilli production to increase this year due to increase in area. Details of sowing are enlisted in the following table:

Area in Lakh hectares	Normal		During Corresponding Period		Current Year as on 11/01/12 Crop	% Sown to	
Crop	Season	As date on	As 11/01/10 on	As 11/01/11 on		Season	As date on
Red Chilli	0.47	0.42	0.53	0.43	0.49	105	117

#### Spot Prices Weekly Change

Commodity	Centre & Variety	% Change Over Previous Week	Prices (Rs/Qtl)		
			Current (12-01-2012)	Week Ago (06-01-2012)	Month Ago (12-12-2011)
Red Chilli	LCA 334	Unch	6200-6800	6100-6900	5000-7000
	Teja	-0.74	6200-7200	6000-7500	5000-7000
	No.5	Unch	6500-7500	6000-8000	5000-7000
	Sanam 334	NA	NA	NA	5000-7000
	Byadgi	-1.81	7200-9000	7500-9000	5000-7000

#### Red Chilly weekly Price Outlook (Guntur Spot market)



Short term bearish trend is likely to continue as it breached its immediate support of 6855. This might lead the prices to test towards 6325 which might act as a strong support. Positioning of RSI is flat indicating possibility of sideways consolidation for short term.

**Expected Price Range of Red Chilly Guntur spot market (INR/Qtl): 6350 – 6800.**

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